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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECRET

COUNTRY

Czechoslovakia

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SUBJECT

Trade in Jewelry, Watches and Antiques, National Enterprise

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REFERENCES

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1. Trade in Jewelry, Watches and Antiques, National Enterprise, (Obchod klenoty, hodinami a starozitnostmi) is a national trading organization created by and responsible to the Ministry of Domestic Trade. Through its own retail stores it controls retail distribution of all jewelry and watches, whether manufactured in Czechoslovakia or imported, and the purchase of second-hand or antique jewelry from private persons. It also maintains watch repair shops.
2. The main supplier of the stores is the SOLUNA Association of Goldsmiths (SOLUNA druzstvo zlatniku) in Prague, with branches at Teplice-Sanov and Plzen, which manufactures all kinds of jewelry; the Karat Works in Prague, which manufactures jewelry and supplies mainly Moravia and Slovakia; and the Kinzle Works at Chomutov, which manufactures clocks. Wrist watches are not manufactured in Czechoslovakia, but are imported from the USSR and East Germany. The Soviet made watches, "Svesda" and "Molnia," have 15 jewels and are of very low quality. The jewels "peel off" when the watch is put through the cleaning process, i.e. is submerged into a chemical solution and exposed to pressure. Soviet watch experts came to Czechoslovakia in 1952 to instruct local watchmakers in the repair of Soviet watches. Thiel wrist watches, also sold through the organization's retail stores, are made in East Germany and are also of low quality.
3. The organization has regional offices throughout the country which control the retail stores and workshops in the various towns and are responsible for maintaining continuous supply to their stores. The regional office at Usti nad Labem (Obchod klenoty a starozitnostmi, Oblastni sprava) has under its control the districts of Usti and Karlovy Vary, which include approximately fifty retail stores and repair shops in the towns and villages, mostly at Karlovy Vary, which attracts many visitors from other parts of the country.

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4. All the merchandise is sent directly from the central store of the organization, located on Jindriska Street in Prague, to the respective retailers, according to orders forwarded by the regional office. The retail stores must remit their receipts to the regional office every day, through the local bank. As most of the retailers are housewives without any previous experience in trade or clerical work, a simple system of bookkeeping has been devised. Every article has a tag attached to it showing its retail price. From these prices, fixed by the Prague central office, an average profit of approximately 23 percent is allotted to the Regional Office for purposes of administration, payment of salaries, etc.
5. There are two second-hand stores operating in the region, one in Karlovy Vary and one in Teplice-Sanov, where individuals may sell their old jewelry, gold, rings, necklaces, etc., to the organization. Those offering their jewels must produce their identity documents, and the articles purchased are registered, together with the name and address of the seller. Gold jewelry is purchased from private owners at its scrap value (by weight) at the rate of 30 Kcs. per gram (price prior to the currency reform of June 1953). The retail price of new gold articles on sale is 100 Kcs. per gram and up. Two wedding rings of a total weight of seven or eight grams cost from 800 to 1,200 Kcs. before the currency reform. The purchase price of silver articles before June 1953 was one Kcs. per gram, while new silver articles were sold at approximately 40 Kcs. per gram.
6. Gold jewelry can be purchased only in exchange for second-hand gold jewelry, for which the "scrap" price is paid. Silver articles of either very light or very heavy weight are sold freely. The weight limits are fixed in such a way as to grade cigarette cases, compacts and similar articles in the "restricted" category, so that they can be bought only in exchange for second-hand silver objects. The price of a gold wrist watch made in the USSR was from 8,000 to 10,000 Kcs. before the currency reform, and from 13 to 15 grams of scrap gold had to be turned in. Metal wrist watches made in the USSR cost approximately 4,500 Kcs. The original purchase price of these watches paid by the central office in Prague was known to be 400 Kcs.
7. The monthly turnover of the Usti regional office according to plan was to be about 2 million Kcs. but only 60 percent of the plan was actually reached. Since the currency reform, the turnover has dropped to about 30 percent of the plan.
8. The Usti office has an administrative staff of 23, employed in the planning, trade, finance, bookkeeping, equipment, and cadre departments. Monthly salaries of administrative personnel range from 500 to 700 Kcs. (new currency) for clerks and salesmen, 1,000 Kcs. for department heads, and up to 2,000 Kcs. for the director of the regional office. Goldsmiths and watchmakers in the workshops earned about 13,000 Kcs. before the currency reform and their present income is from 1,500 to 1,700 Kcs. in new currency, but the norms have also been raised.
9. The manager of the Usti office is Dospel (fnu) [REDACTED]
[REDACTED] the head of the trade department is Kuchinka (fnu) [REDACTED]
Mazuchova (fnu) is head of the planning department [REDACTED]
[REDACTED] Antonin Tuma is the head of the cadre department;
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